

# Elon Musk and the economics of class war

Evan Blake  
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Tesla CEO Elon Musk announced Monday that the Palo Alto, California-based automaker would restart production at its Fremont, California assembly facility in defiance of orders from local health authorities for the plant to remain closed to protect workers from COVID-19.

“Tesla is restarting production today against Alameda County rules,” Musk said on Twitter. The *San Francisco Chronicle* reported that Tesla production lines had been operating over the weekend. At full capacity, the plant employs 10,000 workers.

Musk is well aware that he will face no serious consequences for endangering the lives of thousands of people. On Tuesday, local officials merely sent a letter to Tesla telling the company to cease production until they come to terms on a plan to reopen. The greatest penalty Musk potentially faces is a fine of up to \$1,000 a day or up to 90 days in jail, the latter being highly unlikely.

The global auto industry is restarting production across North America and Europe, sanctioned by state governments and the Trump administration. Democratic Michigan Governor Gretchen Whitmer has allowed automakers in Michigan to restart production this week.

The bipartisan campaign to force workers back on the job risks a major upsurge of the pandemic. Testifying before the US Senate’s health committee yesterday, Dr. Anthony Fauci cautioned against a premature reopening of the economy, saying that without adequate preparations “we run the risk of having a resurgence.”

California, as across the US, is nowhere near prepared to conduct mass testing or implement the contact tracing and quarantining necessary to contain any outbreaks of the virus. The state has conducted roughly 992,000 tests out of a total population of 40 million.

The dire situation facing meatpacking workers

underscores the inherent dangers of spreading the virus in workplaces such as Tesla that involve assembly lines, which move products through the hands of dozens of workers before reaching their final state. At the Tyson meat plant in Logansport, Indiana, nearly 900 employees tested positive last month, of whom three have died.

With his decree reopening Tesla, Musk is compelling workers to return to work or face economic destitution. In an email, the company threatened workers: “Choosing not to report to work may eliminate or reduce your eligibility for unemployment.”

Over 4.5 million Californians, or 23.5 percent of the state’s workforce, have officially filed for unemployment. Only one in eight of those who filed in March has had his or her claim processed, placing immense pressure on workers to return to work.

Musk’s hypocritical claims to speak for the economic interests of Tesla employees are belied not only by his endangering of their lives. He has threatened to permanently shut down the Fremont facility, destroying the livelihoods of its 10,000 employees, unless his demands are met.

“Tesla will now move its HQ and future programs to Texas/Nevada immediately,” Musk warned last week. “If we even retain Fremont manufacturing activity at all, it will be dependen [sic] on how Tesla is treated in the future. Tesla is the last carmaker left in CA.”

Throughout his career, Musk has built up a personality cult around himself as a brilliant engineer and self-made billionaire. In reality, his father owned an emerald mine in Zambia.

His ascent to stratospheric levels of wealth, rapidly becoming one of the richest people in the world, is inseparable from the massive run-up in asset values after the 2008 financial crisis.

Musk is the very personification of the type of venture capitalist spawned by a capitalist economy ever

more dependent on increasing levels of debt.

Tesla has lost money nine of the past 10 years, during which it has maintained a negative price-to-earnings ratio. Yet its share value has soared. Just one year ago, Tesla's share price was under \$200, but its valuation has since then increased five-fold, hitting \$917 earlier this year. It is currently priced at \$809, with a market capitalization of \$150 billion.

This has made Musk unfathomably rich. Since the start of this year, he has amassed an additional \$12.6 billion, making him the world's 22nd richest person, with a total of \$40.1 billion. His executive pay package, the largest in history, is entirely contingent on the rise of Tesla's stock value.

This fortune rests upon a mountain of debt, which can be serviced only through the extraction of surplus value from the working class.

It is entirely fitting that Musk's demand for workers to get back to work has been hailed by US President Trump, who embodies the predatory interests of the American financial oligarchy. "California should let Tesla & @elonmusk open the plant, NOW," Trump tweeted on Tuesday. Musk's actions have underscored that Trump is not an aberration, but rather personifies a ruling class whose wealth is based on the vast expansion of fictitious capital, debt and social plunder.

Musk, and executives like him, are continuously compelled to demonstrate their utter ruthlessness to the investors who have bought into the massive Ponzi scheme of the American stock market. The only thing real about any of it is the labor of workers, whose ever greater exploitation forms the basis of the fantastic enrichment of Musk and his fellow oligarchs. It is this social dynamic that leads Musk to demand that his workers' lives be sacrificed for profit.

An appropriate response to Musk's actions would be to indict him for criminal endangerment of his workers and the regional population, impound Tesla facilities worldwide, and expropriate the vast bulk of his wealth to pay for the inevitable health and social consequences caused by his negligence and willful indifference. His individual actions affirm the need for the broader demand of the Socialist Equality Party, which calls for "the expropriation of all large financial and corporate institutions and their conversion into democratically controlled public utilities."



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